TECNICAS REUNIDAS

NINE MONTH RESULTS
January – September 2012

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1. HIGHLIGHTS

HIGHLIGHTS *January - September*	9M 12 € million	9M 11 € million	Var. %	Year 2011 € million
Backlog	**6,182**	**4,636**	*33.3%*	**5,387**
Net Profit	**101**	**99**	*1.8%*	**135**
Margin	*5.2%*	*5.0%*		*5.2%*
Net Revenues	**1,945**	**1,992**	*-2.4%*	**2,613**
EBITDA	**116**	**122**	*-4.4%*	**160**
Margin	*6.0%*	*6.1%*		*6.1%*
EBIT	**110**	**116**	*-4.9%*	**151**
Margin	*5.7%*	*5.8%*		*5.8%*
Net cash position	**711**	**661**	*7.6%*	**740**

- **As of September 2012, backlog grew to € 6,182 million, 33.3% higher compared to September 2011, due to a solid order intake in the first nine months of the year. The main award booked in the quarter was the Sadara project in Saudi Arabia.**

- **In the first nine months of 2012, net profit was € 101 million, up 1.8% compared to the net profit of 9M 2011, benefited from positive financial results.**

- **9M 2012 sales reached € 1,945 million, 2.4% lower than in 9M 2011, since most of the awards in 2011 took place at the end of the year. Nevertheless, revenues have increased in the last three quarters.**

- **Operating margins remained at similar levels. EBITDA margin was 6.0%, while EBIT margin was 5.7%.**

- **As of September, 30th 2012, net cash position of the company rose to € 711 million, 7.6% higher than the net cash at the end of September 2011. Dividends paid in the quarter amounted to € 36.9 million.**

2. BACKLOG

	Project	Country	Client	Estimated Delivery
Refining and Petrochemical	Sadara	Saudi Arabia	Saudi Aramco/Dow Chemical	2015
	Kemya	Saudi Arabia	Sabic/Exxon Mobil	2015
	TAN project	Australia	Yara Int./Orica Lim./Apache Corp.	2015
	Petrokemya	Saudi Arabia	SABIC	2014
	Paracas chemical complex*	Peru	Nitratos del Peru	2014
	Yanbu Refinery	Saudi Arabia	Saudi Aramco	2014
	Talara Refinery*	Peru	Petroperu	2014
	Izmit Refinery	Turkey	Tüpras	2014
	Normandy Refinery	France	Total	2013
	Al Jubail Refinery	Saudi Arabia	SATORP	2013
	Khabarovsk	Russia	OC Alliance	2013
	Elefsina	Greece	Hellenic Petroleum	2012
	Crude Distillation Unit Mohammedia**	Morocco	Samir	-
	Alkylation unit**	Chile	Enap	-
	Sines**	Portugal	Galp	-
Upstream & Gas	Oil sands	Canada	CNR	2016
	Margarita field II	Bolivia	Repsol/British Gas/Pan American Energy	2015
	Gran Chaco	Bolivia	YPFB	2014
	Shah	United Arab Emirates	ADNOC	2014
	Mejillones LNG tank	Chile	Codelco/GDF Suez	2013
	Zhuhai LNG terminal	China	Guangdong Zhuhai Golden Bay LNG	2013
	SAS	United Arab Emirates	ADCO	2013
	Gas compression station	Turkey	Botas	2012
Power	Dufi	Hungary	MOL / CEZ	2015
	Manifa	Saudi Arabia	Saudi Aramco	2013
I & I	Southern Sea Water Desalination Plant stage 2	Australia	Water Corporation	2014

* Project in execution on an open book basis

** Project in mechanical completion or carrying out services for the start up phase of the plant

Backlog as of September, 30th 2012

At the end of September of 2012, Tecnicas Reunidas' (TR) backlog reached € 6,182 million, up 33% compared to 9M 2011 backlog.

From the total backlog, 93% was represented by projects from the oil and gas division, while 7% was represented by the power division projects, plus the Australian desalination plant.

At the end of the third quarter of 2012, 21% of the backlog were projects on an Open Book (OBE) phase, which are pending to be converted.

During the quarter, the company booked the following new contracts:

- Sadara Chemical Company (Sadara), a "joint venture" between Saudi Aramco and The Dow Chemical Company, awarded TR the Chem-III project, part of the chemical complex being built by Sadara in Jubail Industrial City II, Saudi Arabia.

  TR will perform detailed engineering, procurement and supply of equipment and materials, construction of the plants and the support during commissioning of the units.

  The project includes the following units: ethylene oxide, propylene glycol, polyols, ethanol amines, ethylene amines, butyl glycol ether plants and the auxiliary and control facilities necessary for their operation.

  The contract has an approximate value of USD 800 million and the plants are scheduled to be operational during 2015.

- TR, has also extended its initial Front End Engineering and Design (FEED) contract for Lukoil at the Volgograd refinery; and will continue working in the detailed engineering needed to procure the critical long lead items.

- Petroleum Development Oman (PDO) awarded to the joint venture (JV) formed by Al Hassan Engineering Company and Tecnicas Reunidas, an EPC project for the construction of a gas plant in Zauliyah, Oman, with a value of approximately USD 100 million.

  The contract involves engineering, procurement, construction and commissioning of the plant. The project will be executed in three years and its scope includes modular construction.

3. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT January - September	9M 12 € million	9M 11 € million	Var. %	Year 2011 € million
Net Revenues	**1,945.1**	**1,992.1**	**-2.4%**	**2,612.6**
Other Revenues	2.7	2.5		3.8
Total Income	**1,947.8**	**1,994.6**	**-2.3%**	**2,616.5**
Raw materials and consumables	-1,233.0	-1,388.5		-1,781.6
Personnel Costs	-279.6	-264.2		-351.7
Other operating costs	-318.9	-220.1		-323.6
EBITDA	**116.4**	**121.7**	**-4.4%**	**159.5**
Amortisation	-6.4	-6.1		-8.2
EBIT	**110.0**	**115.6**	**-4.9%**	**151.3**
Financial Income/ expense	6.6	1.2		6.7
Share in results obtained by associates	0.0	-0.3		-2.8
Profit before tax	**116.5**	**116.6**	**0.0%**	**155.2**
Income taxes	-15.2	-17.1		-19.9
Net Profit	**101.3**	**99.5**	**1.8%**	**135.3**

3.1 REVENUES

REVENUES BREAKDOWN January - September	9M 12 € million	%	9M 11 € million	%	Var. %	Year 2011 € million
Oil and gas	1,674.9	86.1%	1,745.6	87.6%	-4.1%	2,285.3
Power	111.0	5.7%	146.9	7.4%	-24.4%	203.3
Infrastructure and industries	159.2	8.2%	99.6	5.0%	59.9%	124.1
Net Revenues	**1,945.1**	**100%**	**1,992.1**	**100%**	**-2.4%**	**2,612.6**

In the first nine months of 2012, net revenues were € 1,945.1 million, down 2.4% compared to the same period of 2011. This reduction is mainly related to the concentration of 2011 new orders late in the year. Nevertheless, revenues have increased in the last three quarters.

<u>Oil and Gas</u>: From January to September 2012, sales on this division declined by 4.1% compared to 9M 2011, although sales increased in the last three quarters. The oil and gas revenues represented 86.1% of total sales. The Refining and Petrochemical division remains the largest contributor to sales.

- <u>Refining and petrochemical:</u> The projects with largest contribution to sales were: Izmit for Tüpras (Turkey), Jubail for Saudi Aramco (Saudi Arabia), Yanbu for Saudi Aramco (Saudi Arabia) and Khabarovsk for OC Alliance (Russia).

- <u>Upstream and natural gas:</u> The key projects in terms of contribution to sales were the following: the Shah project for ADCO in Abu Dhabi, the Gran Chaco project for YPFB and the Margarita II for Repsol/British Gas/Pan American Energy, both in Bolivia.

Power: In the first nine months of 2012, revenues declined by 24.4% from € 146.9 million in 9M 2011 to € 111.0 million in 9M 2012. This reduction was driven by a lower level of awards and the slow revenue recognition of the Hungarian project, which was awarded at the end of 2011 and construction has been postponed by the client.

Infrastructure and industries**:** Revenues in this division grew by 59.9% compared to 9M 2011, and reached € 159.2 million, mainly due to the contribution of the desalination project in Australia for Water Corporation.

3.2 OPERATING PROFIT

OPERATING MARGINS January - September	9M 12 € million	9M 11 € million	Var. %	Year 2011 € million
EBITDA	116.4	121.7	-4.4%	159.5
Margin	*6.0%*	*6.1%*		*6.1%*
EBIT	110.0	115.6	-4.9%	151.3
Margin	*5.7%*	*5.8%*		*5.8%*

EBIT BREAKDOWN January - September	9M 12 € million	9M 11 € million	Var. %	Year 2011 € million
Operating Profit from divisions	157.0	166.8	-5.9%	213.0
Costs not assigned to divisions	-47.0	-51.2	-8.2%	-61.8
Operating profit (EBIT)	**110.0**	**115.6**	**-4.9%**	**151.3**

- In the first nine months of 2012, EBITDA and EBIT amounted to € 116.4 million and € 110.0 million respectively, around 4% drop compared to 9M 2011 figures, due to the sales decrease.

- Operating margins stood at similar levels as in 9M 2011. EBITDA margin was 6.0%, while EBIT margin was 5.7%.

3.3 NET PROFIT

NET PROFIT January - September	9M 12 € million	9M 11 € million	Var. %	Year 2011 € million
Net Profit	**101.3**	**99.5**	**1.8%**	**135.3**
Margin	**5.2%**	**5.0%**		**5.2%**

Financial Income/Expense January - September	9M 12 € million	9M 11 € million	Year 2011 € million
Net financial Income *	6.3	5.2	6.2
Gains/losses in transactions in foreign currency	0.2	-4.0	0.5
Financial Income/Expense	**6.6**	**1.2**	**6.7**

* Financial income less financial expenditure

In the first nine months of 2012, net profit amounted to € 101.3 million, 1.8% higher than the net profit of 9M 2011. In spite of the sales and operating profit reduction, net profit was positively impacted by:

- Net financial result: Net financial income increased from € 5.2 million to € 6.3 million and gains/losses in transactions in foreign currency improved from a negative € 4 million to a positive € 0.2 million. Therefore financial income increased from € 1.2 million in 9M 11 to € 6.6 million in 9M 12.

- Tax rate: in the first nine months of 2012, the company tax expense was € 15.2 million, which compares to € 17.1 million tax expense of 9M 2011.

4. CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET September 30, 2012	9M 12 € million	9M 11 € million	Year 2011 € million
ASSETS:			
Non-current Assets			
Tangible and intangible assets	94.8	82.7	82.9
Investment in associates	7.1	8.1	7.2
Deferred tax assets	29.3	21.7	24.4
Other non-current assets	21.4	7.6	6.6
	152.5	**120.0**	**121.1**
Current assets			
Inventories	23.7	18.0	20.8
Trade and other receivables	1,858.5	2,014.1	1,753.9
Other current assets	55.5	43.3	36.1
Cash and Financial assets	742.7	712.8	775.5
	2,680.5	**2,788.1**	**2,586.3**
TOTAL ASSETS	**2,833.0**	**2,908.2**	**2,707.4**
EQUITY AND LIABILITIES:			
Equity	**437.8**	**401.0**	**349.4**
Non-current liabilities	**52.9**	**44.6**	**66.3**
Financial Debt	31.1	30.4	30.0
Other non-current liabilities	21.8	14.2	36.3
Long term provisions	**19.2**	**18.2**	**18.2**
Current liabilities			
Financial Debt	0.5	21.3	5.3
Trade payable	2,251.4	2,374.5	2,144.0
Other current liabilities	71.2	48.6	124.3
	2,323.1	**2,444.4**	**2,273.5**
Total liabilities	**2,395.2**	**2,507.2**	**2,358.0**
TOTAL EQUITY AND LIABILITIES	**2,833.0**	**2,908.2**	**2,707.4**

EQUITY September 30, 2012	9M 12 € million	9M 11 € million	Year 2011 € million
Shareholders' funds + retained earnings	503.5	452.0	481.0
Treasury stock	-73.4	-73.4	-73.4
Hedging reserve	-3.8	13.0	-31.1
Interim dividends	0.0	0.0	-35.8
Minority Interest	11.5	9.4	8.7
EQUITY	**437.8**	**401.0**	**349.4**

NET CASH POSITION September 30, 2012	9M 12 € million	9M 11 € million	Year 2011 € million
Current assets less cash and financial assets	1,937.8	2,075.3	1,810.8
Current liabilities less financial debt	-2,322.6	-2,423.1	-2,268.2
COMMERCIAL WORKING CAPITAL	**-384.8**	**-347.8**	**-457.4**
Financial assets	54.7	64.6	68.0
Cash and cash equivalents	688.0	648.2	707.5
Financial Debt	-31.6	-51.7	-35.3
NET CASH POSITION	**711.1**	**661.2**	**740.2**
NET CASH + COMMERCIAL WORKING CAPITAL	**326.3**	**313.4**	**282.8**

- In the first nine months of 2012, equity increased by € 36.8 million compared to the first nine months of 2011 and by € 88.4 million compared to FY 2011 results, due to non distributed earnings and a positive evolution of the hedging reserve.

- As of September 30th, 2012, the net cash position closed at € 711.1 million; € 50 million higher than the 9M 2011, after the payment of € 72.8 million of dividends during the year 2012.

- In January 2012, the company paid out an interim dividend of € 0.667 per share out of 2011 results. In February, the company announced a complementary dividend of € 0.688 per share, which was paid in July 2012. Consequently, total dividends paid in 2012 out of 2011 results, were € 72.8 million (€ 1.355 per share, slightly higher than the previous dividend).

ANNEX: FILINGS WITH CNMV RELEVANT EVENTS AND OTHER COMMUNICATIONS

In the third quarter of 2012, the company filed with the Spanish CNMV the following communications:

- In accordance with the resolution approved at the General Shareholders' Meeting (GSM) the company filed with the CNMV a communication on the final 2011 dividend payment. In February, the Board of Directors decided to propose to the GSM the distribution of a total dividend of € 72.8 million (€ 1.355 per share) out of 2011 results.

  In July, the company distributed a complementary dividend of € 36.9 million among the shares not held as Treasury Stock amounting to € 0.688 per share.

- Sadara Chemical Company (Sadara), a joint venture between Saudi Arabian Oil Company (Saudi Aramco) and The Dow Chemical Company (Dow), has awarded TR the Chem-III project, part of the chemical complex being built by Sadara in Jubail Industrial City II, Saudi Arabia. The Sadara complex in Jubail is the world's largest chemical complex ever built in a single phase.

  The project awarded to TR includes the ethylene oxide, propylene glycol, polyols, ethanol amines, ethylene amines, butyl glycol ether plants and the auxiliary and control facilities necessary for their operation.

  TR will perform detailed engineering, procurement and supply of the equipment and materials, construction of the plants and the support during commissioning of the units. The plants are scheduled to be operational during 2015.

  The contract has an approximate value of US$ 800 million.

  The award of this contract reinforces the competitive position of TR as one of the few companies in the world qualified to work in fields as diverse as oil and gas production, power generation, oil refining and petrochemical industries.

  Saudi Aramco

  Owned by the Saudi Arabian Government, Saudi Aramco is a fully-integrated, global petroleum enterprise, and a world leader in exploration and producing, refining, distribution, shipping and marketing. The company manages proven reserves of 260 billion barrels of oil (nearly a quarter of the world's total) the largest of any company in the world, and manages the fourth-largest gas reserves in the world.

Saudi Aramco owns and operates the world's second largest tanker fleet to help transport its crude oil production, which amounted to 3.3 billion barrels in 2005. In addition to its headquarters in Saudi Arabia's Eastern Province city of Dhahran, Saudi Aramco has affiliates, joint ventures and subsidiary offices in China, Japan, Netherlands, Philippines, Republic of Korea, Singapore, United Arab Emirates, United Kingdom and the United States.

Dow Chemical

Dow combines the power of science and technology with the "Human Element" to passionately innovate what is essential to human progress. The company connects chemistry and innovation with the principles of sustainability to help address many of the world's most challenging problems such as the need for clean water, renewable energy generation and conservation, and increasing agricultural productivity. Dow's diversified industry-leading portfolio of specialty chemical, advanced materials, agro sciences and plastics businesses delivers a broad range of technology-based products and solutions to customers in approximately 160 countries and in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2011, Dow had annual sales of $ 60 billion and employed approximately 52,000 people worldwide. The company's more than 5,000 products are manufactured at 197 sites in 36 countries across the globe.